



## 2013 SENATE BILL 576

1     **AN ACT** *to repeal and recreate* 628.02 (1) (b) 8.; and *to create* 632.977 of the  
2             statutes; **relating to:** the sale of limited lines travel insurance.

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*Analysis by the Legislative Reference Bureau*

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3             **SECTION 2.** 628.02 (1) (b) 8. of the statutes is repealed and recreated to read:  
4             628.02 (1) (b) 8. A travel retailer, as defined in s. 632.977 (1) (d), or an employee  
5             or authorized representative of a travel retailer, that offers and disseminates, as  
6             defined in s. 632.977 (1) (am), travel insurance under s. 632.977.

7             **SECTION 4.** 632.977 of the statutes is created to read:

8             **632.977 Limited lines travel insurance.** (1) **DEFINITIONS.** In this section:  
9             (a) "Firm" means a firm under s. Ins 6.58 (1m), Wis. Adm. Code, that sells,  
10            solicits, or negotiates travel insurance through an individual travel insurance  
11            producer.

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1 (ac) “Firm license” means a license described in s. Ins 6.58 (2), Wis. Adm. Code,  
2 that is held by a firm.

3 (am) “Offer and disseminate” means to provide general information, including  
4 a description of coverage and price, as well as to process applications, collect  
5 premiums, and perform other activities permitted by statute or rule.

6 (b) 1. “Travel insurance” means limited lines insurance coverage for personal  
7 risks incident to planned travel, including any of the following:

8 a. Interruption or cancellation of trip or event.

9 b. Loss of baggage or personal effects.

10 c. Damages to accommodations or rental vehicles.

11 d. Sickness, accident, disability, or death occurring during travel.

12 2. “Travel insurance” does not include major medical plans that provide  
13 comprehensive medical protection for travelers with trips lasting 6 months or longer,  
14 such as those persons working overseas as expatriates or military personnel being  
15 deployed.

16 (c) “Travel insurance producer” means an intermediary who is licensed under  
17 sub. (2) to sell, solicit, or negotiate travel insurance.

18 (d) “Travel retailer” means a business entity that makes, arranges, or offers  
19 travel services.

20 **(2) LIMITED LICENSE TO SELL TRAVEL INSURANCE.** The commissioner may issue to  
21 a person licensed as an intermediary under ch. 628 who applies on a form and in the  
22 manner prescribed by the commissioner, a limited lines travel insurance producer  
23 license authorizing the person to sell, solicit, or negotiate travel insurance through  
24 an insurer.

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1           **(3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE.** A travel retailer,  
2 or an employee or authorized representative of a travel retailer, may offer and  
3 disseminate travel insurance under a firm license of a firm, only if the firm holds such  
4 a license, and only if all of the following apply:

5           (a) A travel insurance producer or the travel retailer provides to purchasers of  
6 travel insurance all of the following:

- 7           1. The material terms, or a description of the material terms, of the travel  
8 insurance coverage.
- 9           2. A description of the process for filing a claim.
- 10          3. A description of the review or cancellation process for the travel insurance  
11 policy.
- 12          4. The identity and contact information of the firm.

13          (b) The firm keeps a register of each travel retailer that offers and disseminates  
14 travel insurance on the firm's behalf. The register shall include the name and contact  
15 information of the travel retailer and of an officer or person who directs or controls  
16 the travel retailer's operations and the travel retailer's federal tax identification  
17 number. The firm shall also certify that the travel retailer register complies with  
18 USC 1033. The firm shall submit the register to the commissioner upon request  
19 within 30 days after receiving a request.

20          (c) The firm has designated a travel insurance producer responsible for  
21 ensuring the travel retailer's compliance with the limited lines travel insurance  
22 statutes and rules of this state.

23          (d) The firm has paid all applicable licensing fees under s. 601.31 (1) (L) 2.

24          (e) A travel insurance producer requires each employee and authorized  
25 representative of the travel retailer whose duties include offering and disseminating

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1 travel insurance to receive a program of instruction or training, which shall be  
2 subject to review by the commissioner. The instruction or training materials shall  
3 contain, at a minimum, instructions on the types of insurance offered, ethical sales  
4 practices, and required disclosures to prospective customers.

5 (4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION. (a) A travel  
6 retailer that offers and disseminates travel insurance on behalf of and under the  
7 control of a travel insurance producer shall make available to prospective purchasers  
8 of the travel insurance, brochures or other written materials that do all of the  
9 following:

10 1. Provide the identity and contact information of the insurer and the travel  
11 insurance producer.

12 2. Explain that the purchase of travel insurance is not required for the  
13 purchase of any other product or service from the travel retailer.

14 3. Explain that a travel retailer that is not licensed as a travel insurance  
15 producer may provide general information about the insurance offered by the travel  
16 retailer, including a description of the coverage and price, but is not qualified or  
17 authorized to answer technical questions about the terms and conditions of the  
18 insurance offered by the travel retailer or to evaluate the adequacy of the customer's  
19 existing insurance coverage.

20 (b) A travel retailer's employee, or authorized representative, who is not  
21 licensed as a travel insurance producer may not do any of the following:

22 1. Evaluate or interpret technical terms, benefits, or conditions of the offered  
23 travel insurance coverage.

24 2. Evaluate or provide advice concerning a prospective purchaser's existing  
25 insurance coverage.

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1           3. Hold himself or herself out as an insurer, a licensed travel insurance  
2 producer, or an insurance expert.

3           (c) A travel retailer whose insurance-related activities, and those of its  
4 employees and authorized representatives, are limited to offering and disseminating  
5 travel insurance on behalf of and under the direction of a travel insurance producer  
6 that meets the conditions under this section is authorized to do so and to receive  
7 related compensation upon registration by the firm under sub. (3) (b).

8           **(5) MISCELLANEOUS PROVISIONS.** (a) Travel insurance may be provided under  
9 an individual policy or under a group or master policy.

10           (b) As the insurer designee, a travel insurance producer is responsible for the  
11 acts of each travel retailer offering and disseminating travel insurance on its behalf  
12 and under its control and shall use reasonable means to ensure compliance by the  
13 travel retailer with this section.

14           (c) A travel retailer offering and disseminating travel insurance on behalf of  
15 and under the control of a travel insurance producer and a travel insurance producer  
16 are exempt from the examination and education requirements under s. 628.04 (3).

17           (d) A travel insurance producer and any travel retailer offering and  
18 disseminating travel insurance on behalf of and under the control of a travel  
19 insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and  
20 628.34.

21           **SECTION 5. Effective date.**

22           (1) This act takes effect on the first day of the 4th month beginning after  
23 publication.

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(END)